

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4423-01
Bill No.: SB 1200
Subject: Licenses – Motor Vehicles; Revenue Dept.
Type: Original
Date: February 16, 2004

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Highway Fund	(\$5,859)	\$625	\$625
Total Estimated Net Effect on <u>Other</u> State Funds	(\$5,859)	\$625	\$625

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Local Government	\$311	\$375	\$375

FISCAL ANALYSIS

ASSUMPTION

Officials with the **Department of Transportation** assume this proposal would have no fiscal impact on their agency.

Officials with the **Office of Secretary of State (SOS)** assume this proposal would give the Director of Revenue the authority to adopt rules to implement the provisions of this act. These rules would be published in the Missouri Register and the Code of State Regulations. These rules could require as many as 8 pages in the Code of State Regulations and half again as many pages in the Missouri Register, as cost statements, fiscal notes, and the like are not repeated in the Code. The estimated cost of a page in the Missouri Register is \$23 and the estimated cost of a page in the Code of State Regulations is \$27. Based on these costs, the estimated cost of the proposal is \$492 in FY05 and unknown in subsequent years. The actual cost could be more or less than the numbers given. The impact of this legislation in future years is unknown and depends upon the frequency and length of rules filed, amended, rescinded, or withdrawn.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which would require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

ASSUMPTION (continued)

Officials with the **Department of Revenue (DOR)** assume this proposal could have fiscal impact on their agency. The **DOR- Division of Motor Vehicle and Drivers Bureau (DVSB)** cannot determine the number of plates that will be issued as a result of this legislation. Therefore, the revenue impact is based on the issuance of 100 plates. If the volume of applications for this plate type substantially exceeds 100, the department may require additional appropriations. There is a \$15 application fee for this plate and a \$10 emblem use contribution to be paid to the Missouri Travel Council.

FY 05 (10 months) Income

83 plates issued* \$15 plate fee	\$1,245
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FY 06 Income

100 plates issued* \$15 plate fee	\$1,500
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FY 07 Income

100 plates issued * \$15 plate fee	\$1,500
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According to the Missouri Constitution, this revenue is to be dispersed in the following manner:

State Road Fund	75%
Cities	15%
Counties	10%

DVSB notes that prior to 2002, specialty plates were developed, designed and provided to the DOR by the Missouri Vocational Enterprises. The Missouri Vocational Enterprises recently contracted with a vendor to now provide ALL Missouri specialty plates. The costs will be shown for all specialty license plate bills accordingly.

This contract requires DOR to pay:

- \$250 new plate design set-up fee (if applicable)
- \$50 per modification for a new plate design (if applicable)
- \$80 per revision to existing plate designs (if applicable)
- \$4.50 per plate for freight shipping to DOR

DOR further assumes their agency could incur cost for procedures, mailings to agencies, plates, tabs and storage at the State Data Center..

ASSUMPTION (continued)

Officials with the **DOR- Information and Technology Bureau (ITB)** assume that implementing this proposal could require their current staff to provide 180 overtime programming hours to modify the special plate reservation program, the renewal pull program for fees and the Uniform Field Office System.

FY 05- Cost

Form changes and Envelopes	\$572
Plate Design (contractor)	\$80
Postage (100*4.50) and extra to agencies	\$796
Plate and Tab actual cost (100*5.98) and tab cost	\$624
Storage at State Data Center	\$500
Programming Salaries	<u>\$4,221</u>
Total	\$6,793

FY 06 Cost

Storage at State Data Center	\$500
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FY 07 Cost

Storage at State Data Center	\$500
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To implement this legislation, the DOR could require additional funds. In the past, the programs included in this legislation have been paid for with highway funds. This year, however, highway funds may not be available for this purpose as a result of legislation enacted by the General Assembly in 2000 that limits the use of highway funds.

This limitation is found in Section 226.200.3, RSMo. It places a cap on the highway funding available to state departments other than the Department of Transportation. The total amount of highway funds appropriated to these other state departments (including the DOR) cannot exceed the total amount of their fiscal year 2001 highway appropriations. This cap limits the highway funds that will be available for the implementation of this legislation.

If highway funds are not available, then another source of funding must be identified to pay for the cost of implementing this legislation.

This proposal could increase state revenue through plate fees.

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
HIGHWAY FUND			
<u>Income-Department of Revenue</u>			
License Plate Fee	\$934	\$1,125	\$1,125
<u>Cost-Department of Revenue</u>			
Forms and Postage	(\$1,448)	\$0	\$0
Programming salaries	(\$4,221)	\$0	\$0
Storage	(\$500)	(\$500)	(\$500)
Plates and Tabs	<u>(\$624)</u>	<u>\$0</u>	<u>\$0</u>
<u>Total Cost-DOR</u>	<u>(\$6,793)</u>	<u>(\$500)</u>	<u>(\$500)</u>
NET ESTIMATED EFFECT ON HIGHWAY FUND	<u>(\$5,859)</u>	<u>\$625</u>	<u>\$625</u>
 <u>FISCAL IMPACT - Local Government</u>	 FY 2005 (10 Mo.)	 FY 2006	 FY 2007
<u>Income-Cities</u>			
License Plate Fee	\$186	\$225	\$225
<u>Income-Counties</u>			
License Plate Fee	<u>\$125</u>	<u>\$150</u>	<u>\$150</u>
NET ESTIMATED EFFECT ON LOCAL FUNDS	<u>\$311</u>	<u>\$375</u>	<u>\$375</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

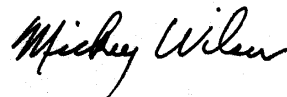
DESCRIPTION

This act allows any vehicle owner, after an annual contribution to the Missouri Travel Council, to obtain license plates commemorating the bicentennial anniversary of the Lewis and Clark expedition. The Missouri Travel Council, in conjunction with the Department of Revenue, shall design the special license plate. In addition to the \$10 contribution, any applicant desiring this specialized license plate shall pay \$15 in addition to regular registration fees

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Revenue
Department of Transportation
Office of Secretary of State



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Director
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